

Chicago, Milwaukee, St. Paul and Pacific Railroad

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The **Milwaukee Road**, officially the **Chicago, Milwaukee, St. Paul and Pacific Railroad** (**CMStP&P RR**) (reporting mark **MILW**), was a Class I railroad that operated in the Midwest and Northwest of the United States from 1847 until its merger into the Soo Line Railroad on January 1, 1986. The company went through several official names and faced bankruptcy several times in that period. While the railroad does not exist as a separate entity anymore, it is still commemorated in buildings like the historic Milwaukee Road Depot in Minneapolis, Minnesota and in railroad hardware still maintained by railfans, such as the Milwaukee Road 261 steam locomotive.

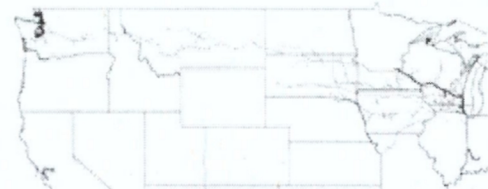
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History

The Milwaukee Road appeared as the **Milwaukee and Waukesha Railroad** when incorporated in 1847, but soon changed its name to **Milwaukee and Mississippi**. After three years, the first train ran from Milwaukee to Wauwatosa, Wisconsin, and the first passenger train ran on February 25, 1851. Critical to the development and financing of the railroad was the

Chicago, Milwaukee, St. Paul and Pacific Railroad



Former Milwaukee Road system. Solid red lines are trackage still operated by CP Rail; purple lines are trackage now operated by other railroads; red dotted lines are abandoned. This map suggests a rail crossing between Iowa and Wisconsin; this crossing closed in 1961.

Reporting mark	MILW
Locale	Idaho, Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, Montana, Nebraska, North Dakota, South Dakota, Washington, and Wisconsin
Dates of operation	1847–1986
Successor	Soo Line Railroad Wisconsin and Southern
Track gauge	4 ft 8½ in (1,435 mm) (standard)

acquisition of significant land grants. Prominent individual investors in the line included Alexander Mitchell, Russell Sage, Jeremiah Milbank and William Rockefeller.^[1] In 1874, the name was

gauge)

Headquarters Chicago, Illinois

changed to **Chicago, Milwaukee, and St. Paul**. By

1887, the railroad had lines running through Wisconsin, Minnesota, Iowa, South Dakota, and the Upper Peninsula of Michigan. Contrary to the common name of the railroad, its headquarters were in Chicago, Illinois, and not in Milwaukee. The company General Offices were located in the Railway Exchange building in Chicago until 1924, at which time they moved to Chicago Union Station.^[2]

Expansion

In the 1890s, the Milwaukee's directors increasingly felt that they had to extend the railroad to the Pacific in order to remain competitive with other roads. A survey in 1901 estimated costs to build to the Pacific Northwest as \$45 million. In 1905, the board approved the Pacific Extension, now estimated at \$60 million. The contract for the westernmost part of the route was awarded to Horace Chapin Henry of Seattle. Construction began in 1906 and was completed in 1909. The route chosen was to be 18 miles shorter than the shortest competitor's, as well as better grades than some. It was an expensive route, however, since the Milwaukee, receiving few land grants, had to buy most of the land or acquire smaller railroads. In addition, the two main mountain ranges that had to be crossed (the Rockies and the Cascades) required major civil engineering works and the use of additional locomotive power. The completion of 2,300 miles of railroad through some of the most varied topography in the nation in only three years was a major feat. (It should be noted that original company maps denote five mountain crossings: Belts, Rockies, Bitterroots, Saddles and Cascades. These are slight misnomers as the 'Belt Mountains' and Bitterroots are part of the Rocky Mountains. In fact, the route did not cross over the Little Belts or Big Belts but over the Lenep-Loweth Ridge between the Castle Mountains and the Crazy Mountains.)

Some historians question the choice of route, however, since it bypassed some population centers and passed through areas with limited local traffic potential. Much of the line paralleled the Northern Pacific Railroad. It was primarily a long-haul route.

Electrification

The Milwaukee soon found that operation of steam locomotives over the mountain passes was difficult, with winter temperatures that reached −40 °F. Electrification seemed to be the answer, especially with abundant hydroelectric power in the mountains and a ready source of copper on-line at Anaconda, Montana. In 1914, electrification began between Harlowton, Montana and Avery, Idaho. The first electric train ran in 1915 between Three Forks and Deer Lodge, Montana. The system used a 3,000 volt direct-current (DC) overhead line.

In 1917, the board approved the construction of a separate electrified district between Othello and Tacoma, Washington, extended to Seattle in 1927. The two electrified districts were never connected, but a total of 656 route-miles (1,056 km) of railroad were electrified, making it the largest electrified railroad in the US.

The electrification was successful from an engineering and operational standpoint, but the cost of building the Puget Sound Extension and electrification had cost \$257 million, not the \$45



Former Milwaukee Road depot in Madison, WI



Former Milwaukee Road depot in Austin,
Minnesota

million the road had originally budgeted for reaching the Pacific. The debt load and reduced revenues brought the road to bankruptcy in 1925.

In 1927, the road launched its second edition of the *Olympian* as a premier luxury limited passenger train and opened its first railroad-owned tourist hotel, The Gallatin Gateway Inn in Montana. The railroad was re-organized as the Chicago, Milwaukee, St. Paul and Pacific Railroad Company in January 1928 and officially adopted the familiar trade name The Milwaukee Road.

The company had hardly a chance to make anything of its fresh start before the Great Depression hit. Despite innovations such as the famous *Hiawatha* high-speed trains that reached speeds of over 100 mph, the road again filed for bankruptcy in 1935. The Milwaukee operated under trusteeship until December 1, 1945.

Postwar

Relative success followed the war. The railroad dieselized in the mid-1950s, replacing most steam

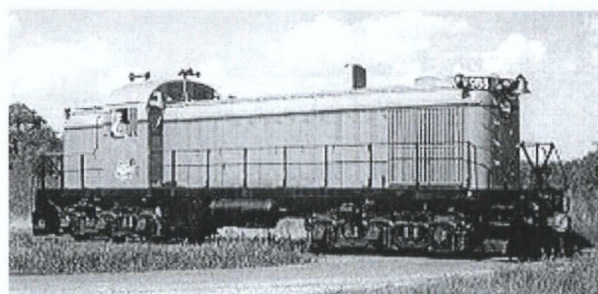
locomotives by 1955 and retiring the last in 1957. Other modernizations included modern freight yards. In association with Union Pacific Railroad, the Milwaukee took over operations of the "Cities" — the *City of Los Angeles*, the *City of San Francisco*, the *City of Denver*, the *City of Portland*, as well as the all-coach *Challenger* from the Chicago and North Western Railway.

1960s

The whole railroad industry found itself in decline in the late 1950s and the 1960s, but the Milwaukee was hit particularly hard. The Midwest was overbuilt with too many competing roads, while the competition on the transcontinental routes to the Pacific was extremely tough as well. The premier transcontinental streamliner, the *Olympian Hiawatha*, despite the innovative scenic observation cars was cancelled in 1961, becoming the first visible casualty. The resignation of President John P. Kiley in 1957 and his replacement with the fairly inexperienced William John Quinn was a pivotal moment; from that point onward, the road's management was fixated on merger with another railroad as the solution to the Milwaukee's problems.



Former Milwaukee Road depot in Minneapolis, Minnesota



Milwaukee Road 988, an ALCO RSC-2, North Freedom, Wisconsin

Railroad mergers had to be approved by the Interstate Commerce Commission, however, and in 1969 the ICC effectively blocked the merger with the Chicago and North Western Railway (C&NW) that the Milwaukee Road had counted on and had been planning for since 1964. The ICC asked for terms that the C&NW was not willing to agree to. The merger of the "Hill Lines" — the Northern Pacific, the Great Northern, and the Burlington Route, as well as the Spokane, Portland & Seattle Railway — was approved at around the same time,



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train No. 4, the *Pioneer Limited*, passes near Deerfield, Illinois on June 22, 1946.

and the merged Burlington Northern came into being on March 3, 1970, completely surrounding the Milwaukee Road.

Early 1970s

Almost immediately after the BN merger, the owners of the C&NW offered to sell the railroad to the Milwaukee outright. The Milwaukee board rejected the offer, even though it would have given them what they had wanted throughout most of the previous decade, stating that they now believed only merger with a larger system — not a slightly smaller one — could save the railroad. Almost immediately, the road filed with the ICC to be included in the Union Pacific merger with the Chicago, Rock Island and Pacific Railroad. Nothing came of this, nor other attempts to force the Milwaukee into other mergers against the desires of the other participants.

Fortunately for the Milwaukee, the BN merger required opening more markets to competitors, and in 1971-73, the MILW's traffic on its Pacific Extension increased substantially, although the reverse was true on its Midwest lines. The railroad's foothold on transcontinental traffic leaving the Port of Seattle increased so exponentially that the Milwaukee Road held a staggering advantage over BN carrying nearly 80% of the originating traffic along with 50% of the total container traffic leaving the Puget Sound (prior to severe service declines after roughly 1974).^[*citation needed*] The deferred maintenance on the railroad's physical plant, however, which had been building up all through the 1960s as the road attempted to polish its financial appearance for merger, was beginning to cause problems. The road's financial problems were exacerbated by their practice of improving its earnings during that period by selling off its wholly owned cars to financial institutions and leasing them back. The lease charges became steeper and steeper, and more and more cars needed to be sold off in order to pay for the lease payments. The railroad's fleet of cars was becoming older and older because more money was being spent on finance payments for the old cars than on buying new ones. This, in turn, contributed to car shortages that turned away business.

De-electrification

In February 1973, and against the advice of studies conducted by both the railroad and independent groups, the Milwaukee decided to scrap its electrification scheme. The board of directors considered the electrification scheme an impediment to its merger and consolidation plans, and that the money required to maintain it would be better spent elsewhere. The high copper prices of time, and the \$10 million the railroad estimated it would get for selling off the copper overhead wire, contributed to the decision.

The surveys had found that an investment of \$39 million could have closed the "gap" between the two electrified districts, bought new locomotives, and upgraded the electrical equipment all along the line. Furthermore, the displaced diesel locomotives could have been used elsewhere and thus reduced the requirement to purchase new, reducing the true cost of the plan to only \$18 million. General Electric even proposed underwriting the financing because of the railroad's financial position.

Rejecting this, the railroad dismantled its electrification just as the 1973 oil crisis took hold. By 1974, when the electrification was shut down, the electric locomotives operated at half the cost of the diesels that replaced them. Worse, the railroad had to spend \$39 million, as much as the GE-sponsored revitalization plan, to buy more diesel locomotives to replace the electrics, and only received \$5 million for the copper scrap since prices had fallen.

The badly-maintained track, which was the part of the system most in need of renewal, was never touched.

Decline to bankruptcy

Circumstances did not get much better after the electrification was dismantled. By 1977, much of the Pacific Extension was under slow orders due to the condition of the track, and transit times had almost tripled. Cars needing repair were being sidelined for lack of money, and locomotives needing major service were being parked. The road filed for bankruptcy for the third time on December 19, 1977.

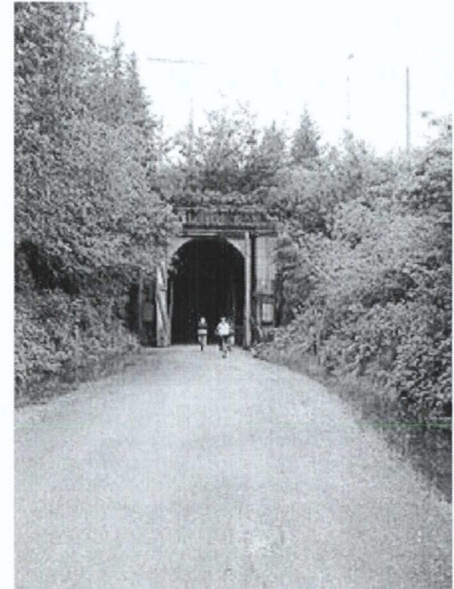
The bankruptcy resulted in the Milwaukee abandoning the Pacific Extension completely in 1980 and restructuring as a small regional line, which was eventually taken over by the Soo Line Railroad in 1985. However, the ICC's auditors discovered (too late, as it were) that for some reason the Pacific Extension's expenses had been double-entered during most of the 1970s. Far from the unprofitable boat-anchor the railroad and the bankruptcy trustees said it was, the ICC found that the Pacific Extension had been returning a profit to the railroad^[3] even through 1977 and 1978, at which time traffic was severely down due to the road's problems.

In Washington State, the Milwaukee Road right-of-way was acquired by the state and is used as a non-motorized recreational trail called the John Wayne Pioneer Trail. It is currently managed by the Washington State Parks and Recreation Commission and by the Washington State Department of Natural Resources. The corridor is effectively "railbanked" under state legislation that allows for the potential reversion to rail usage in the future along with the creation of an alternative route for a cross-state non-motorized recreational trail.

In the Bitterroot Mountains between Loop Creek, Idaho and East Portal, Montana, a 14.5 mile (23.3 km) section of the right-of-way was purchased by the USDA Forest Service (see Chicago, Milwaukee, St. Paul and Pacific Railroad Company Historic District). It was made into a bike trail, known as the Route of the Hiawatha Trail.

Regional railroad, 1981–85

The restructured Milwaukee Road proved no more profitable than the previous, losing money every year. Competition by other, larger railroads for control of the Great Lakes area attracted a bidding war for purchase of the railroad in 1984, with the C&NW and the Soo bidding up the prices. On February 21, 1985, railroad operations were sold to the Soo Line Corporation, which reorganized the property as **The Milwaukee Road, Inc.**, and on January 1, 1986, the company was merged into the Soo Line Railroad. As of 2007, a few locomotives transferred as part of the sale to the Soo Line remain in the Milwaukee's paint scheme, sans Milwaukee Road logos with all lettering painted over. On some of these locomotives, weathering has caused Milwaukee Road lettering to become visible once again.



Bicyclists enter the Snoqualmie Tunnel, part of the non-motorized Iron Horse State Park rails-to-trails project.

Epilogue

The successor-in-interest to what remained of the Milwaukee Road after the Soo Line sale was its holding company, the Chicago Milwaukee Corporation (CMC). This Corporation's primary function was now to dispose of Milwaukee Road rolling stock and real estate not sold to the Soo Line, primarily former urban rail yard locations in cities such as Milwaukee and Minneapolis. These properties were developed into big-box retail^[4] or industrial sites. The CMC itself was beset with legal and financial woes, filing for bankruptcy (under its new name CMC Heartland Partners) as a result of environmental cleanup costs and liabilities at former Milwaukee Road sites.^[5]



An aging *The Milwaukee Road* logo on a trestle still in use near Rosalia, Washington

Passenger train service

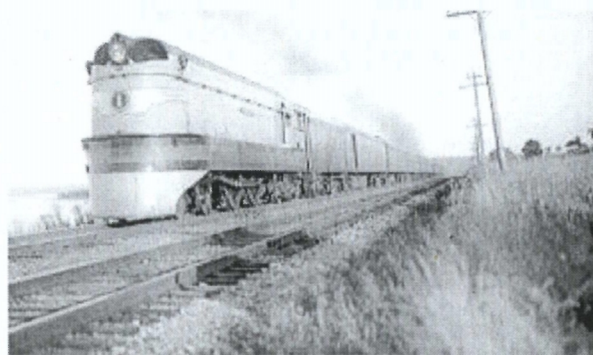
The Milwaukee Road aggressively marketed passenger service through much of its history, maintaining a high quality of service until the end of private intercity passenger operations in 1971. The Milwaukee prided itself on its passenger operations, providing the nation with some of its most innovative and colorful trains. The railroad's home-built equipment was among some of the best passenger equipment ever run on any American railroad. The Milwaukee's reputation for high quality service was the principal reason that the Union Pacific shifted its service to the Milwaukee Road for its "City" streamliners in 1955.



Restored Milwaukee Road depot at Montevideo, Minnesota

The Milwaukee Road's *Pioneer Limited* was one of the first named trains and its colorful *Hiawatha* trains were among the nation's finest streamliners. The post-World War II *Hiawatha* trains remain a high water mark for passenger train industrial design.

- *Afternoon Hiawatha*
- *The Arrow*
- *Chippewa-Hiawatha*
- *The Columbian*
- *Copper Country Limited*
- *Fast Mail*
- *Midwest Hiawatha*
- *Morning Hiawatha*
- *North Woods Hiawatha*
- *Olympian*
- *Olympian Hiawatha*
- *The Pioneer Limited*
- *The Sioux*
- *Southwest Limited*
- *Tomahawk*



Train No. 101, the *Hiawatha*, led by a streamlined 4-4-2 class A steam locomotive, passes near Red Wing, Minnesota on August 4, 1937.

- *Twin Cities Hiawatha*
- *The Varsity*

Starting in November, 1955 the Milwaukee Road assumed joint operation of the Union Pacific's *City of Los Angeles*, *City of Portland*, *City of Denver*, and *Challenger* trains as well as the Union Pacific/Southern Pacific *City of San Francisco*.

After assuming operation of the UP's services, the Milwaukee Road gradually dropped its orange and maroon paint scheme in favor of UP's Armour yellow, grey, and red, finding the latter easier to keep clean.

The Milwaukee Road's streamlined passenger services are unique in that most of its equipment was built by the railroad at its Milwaukee Menomonee Valley shops including the four generations of *Hiawatha* equipment introduced in 1933-34, 1935, 1937-38, and 1947-48. Most striking were the "beavertail" observation cars of the 1930s and the "Skytop Lounge" observation cars by industrial designer Brooks Stevens in the 1940s. Extended "Skytop Lounge" cars were also ordered from Pullman for *Olympian Hiawatha* service in 1951. The *Olympian Hiawatha* set was later sold to the Canadian National Railway.

Postage stamp

On August 26, 1999, the United States Postal Service issued the 33-cent *All Aboard! 20th Century American Trains* commemorative stamps featuring five celebrated American passenger trains from the 1930s and 1940s. One of the five stamps featured an image of the *Hiawatha*, known as "Fastest Train in America", as it traveled over 100 miles per hour (160 km/h) on its daily run connecting Chicago, Milwaukee, Wisconsin and the Twin Cities.

See also

- *Hiawatha (Amtrak)*
- Iron Horse State Park
- Montana Railroad
- List of Milwaukee Road locomotives
- Category:Milwaukee Road locomotives

References

1. ^ Cary, John W., "The Organization and History of The Chicago, Milwaukee & St. Paul Railway Company, New York, ARNO Press 1981
 2. ^ Chicago, Milwaukee, St. Paul and Pacific Railroad Company (1950). *Four Generations on the Line: Highlights Along the Milwaukee Road's First Hundred Years*. Chicago: Ringley - O'Brien Press.
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 3. ^ Jones, Todd (2000). "What Really Happened". *Milwaukee Road Online*.
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 4. ^ Murphy, Mary Beth (1999-09-19), "New Jewel/Osco alienates some of its neighbors, delights others", *Milwaukee Journal Sentinel*
 5. ^ Yue, Lorene (2006-04-28), "Heartland Partners files for Chapter 11", *Crain's Chicago Business*
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External links

- Milwaukee Road Historical Association
- The Milwaukee Road 4-8-4 #261
- Milwaukee Road History at Milwaukee Public Library
- Milwaukee Road Ski area and ski train history
- Milwaukee Road history (Puget Sound Model Railroad Engineers)
- *All Aboard! 20th Century American Trains* 1999 USPS Stamp Program
- Milwaukee Road online
- The Milwaukee Road
- The Gene H. Lawson collection: The Milwaukee Road, a Museum of Pictures - fascinating picture collection along the Pacific Extension 1910-1980 approx.
- University of Washington Libraries Digital Collections – Transportation Photographs An ongoing digital collection of photographs depicting various modes of transportation in the Pacific Northwest region and Western United States during the first half of the 20th century. Includes images of the Milwaukee Road.
- Washington State Iron Horse State Park web site [1]

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